

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0716-01  
Bill No.: HB 301  
Subject: Children and Minors; Health Care  
Type: Original  
Date: February 15, 2011

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Bill Summary: This legislation changes the laws regarding midwifery.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Board of Registration for the Healing Arts Fund	(\$58,728)	\$7,687	\$7,915
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$58,728)</b>	<b>\$7,687</b>	<b>\$7,915</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Board of Registration for the Healing Arts Fund	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **Sections 334.010, 334.1200 - 334.1230:**

Officials from the **Missouri Senate, Office of Administration-Administrative Hearing Commission, Office of Prosecution Services, Office of the State Courts Administrator, Missouri Governor, Office of Administration-Budget and Planning, Department of Health and Senior Services** and the **Department of Revenue** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of the State Public Defender (SPD)** state for purposes of the proposal, the SPD cannot assume existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed additional crimes relating to midwifery-new class A misdemeanors.

While the number of new cases may be too few or uncertain to request additional funding for this specific proposal, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all of the SPD cases.

ASSUMPTION (continued)

**Oversight** assumes the SPD could absorb the additional caseload that may result from this proposal within existing resources. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget request.

Officials from the **Office of the Attorney General (AGO)** state the proposal would add potential licensees under the auspices of the Board for the Healing Arts. Since AGO currently does not usually represent the Board, officials from the AGO assume that any costs related to the proposal could be absorbed with existing resources.

Officials from the **Department of Corrections (DOC)** state the DOC, cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY10 average of \$3.92 per offender, per day or an annual cost of \$1,431 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume Licensees: 50 Board of Similar Size: Acupuncturists; Based on information received from a representative of the group seeking legislation, the Division estimates that the above listed number of individuals in the state of Missouri will be required to be licensed. In addition, a 3% growth has been estimated.

The following board specific expenses are being calculated to determine the additional appropriation needed by the Division to support the board. 0.5 Licensure Technician II needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations. 0.5 Investigator II need to conduct investigations and inspections, service notices and gather information required by the board.

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as cost associated with mailings associated with initial licensure. Subsequent year's printing and postage is based on a board of similar size.

ASSUMPTION (continued)

50 Number of Licensees X \$12.50 Postage and Printing Costs = \$625 Total FY12 Printing and Postage Expense and \$57 FY13 and FY14 Printing and Postage.

Board Meetings - 5 Number of Board Members X 4 Number of Meetings = \$253 Meeting Expenses Per Member. \$5,060 Total Meeting Expenses Per Meeting

Licensure System- During the first year of implementation cost are calculated for the design, program and implementation of the licensure program for new boards. 30 Hours for design, program and implementation of licensure program X \$18 Cost per hour = \$540 Total Licensure System Costs.

Complaints and Investigations - Based on a board of similar size, it is estimated that the board will receive the below referenced complaints. The Division does not anticipate receiving any complaints until FY13. It is estimated that 30% of the complaints filed would require field investigations. It is estimated that 50% of the complaints that are investigated would require an investigator to incur overnight expenses. Therefore, the following travel expenses have been calculated for investigations: 2 Number of Complaints, 1 Number of Anticipated Investigations X \$142 Cost Per Investigation = \$142 Annual Investigative Expenses.

Boards within the Division incur division-wide expenses based on specific board licensee averages, in addition to the Department and Office of Administration cost allocations plans. The following expenses are based on a board of similar size and will not require additional appropriation for the PR Transfer Core budget; however, these costs will be considered in calculating the anticipated license and renewal fees. \$174 Maintenance of Licensing System + \$53 Division Operating Expenses + \$317 Division Personal Service Expenses + \$49 Department Cost Allocation + \$8 Office of Administration Cost Allocation = \$601 Total of Additional Expenses.

Cost are calculated for services provided to the Division by Attorney General's Office and the Administrative Hearing Commission. It is anticipated these costs will be incurred from the Attorney General's Office and the Administrative Hearing Commission in FY 2012. Estimates are based on a board of similar size. \$300 Attorney General's Office + \$300 Administrative Hearing Commission = \$600 Total AG and AHC Expenses.

Revenue - The projected revenue reflects the fees listed below for all categories of licensure. In addition, a 3% growth rate has been estimated. It is estimated that the collection of initial license fees will begin in FY13 and renewal fees will be collected until FY14. It is also important to

ASSUMPTION (continued)

note, that once the fees for the board are established by rule other fees could offset the estimated costs. Initial License Fees-\$2,000, Revenue/Fees- \$2,000, Renewal Cycle-Annual.

Funding-It is assumed that all fees collected would be deposited into a fund for the Missouri Board of Registration for the Healing Arts and that all expenses would be paid out of that fund. It is assumed no revenue will be generated by the Advisory Committee for Certified Professional Midwives in FY 2012, therefore, expenses incurred by the board will be paid back to the Healing Arts Fund, pursuant to section 324.016, RSMo. It is estimated payback of any outstanding loans would be made in FY 2014. However, should the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly.

The Division anticipates that 1.0 FTE will be needed to administer the provisions of this law. However, should the Division determine the Advisory Committee for Certified Professional Midwives could utilize existing shared resources, the estimated 1.0 FTE may not be required.

It is also important to note that other factors such as board members electing not to receive per diem or collection of other fees established by rule could offset the estimated licensure and renewal fees.

**Oversight** assumes expenses occurring in FY12 would be borrowed from the Board of Registration for the Healing Arts Fund and paid back in FY13 and FY14.

FISCAL IMPACT - State Government

FY 2012  
(10 Mo.)

FY 2013

FY 2014

**BOARD OF REGISTRATION FOR  
THE HEALING ARTS FUND**

Income - Department of Insurance,  
Financial Institutions and Professional  
Registration

Fee collection	<u>\$0</u>	<u>\$100,000</u>	<u>\$103,000</u>
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Costs - Department of Insurance,  
Financial Institutions and Professional  
Registration

Personal Service	(\$26,405)	(\$31,791)	(\$32,099)
Fringe Benefits	(\$13,820)	(\$16,639)	(\$16,801)
Equipment and Expense	(\$17,302)	(\$13,257)	(\$15,495)
Program Costs	(\$1,201)	(\$1,262)	(\$1,326)
Repay FY12 cost	<u>\$0</u>	<u>(\$29,364)</u>	<u>(\$29,364)</u>
<u>Total Costs - DIFP</u>	<u>(\$58,728)</u>	<u>(\$92,313)</u>	<u>(\$95,085)</u>
FTE Change - DIFP	1 FTE	1 FTE	1 FTE

**ESTIMATED NET EFFECT ON  
BOARD OF REGISTRATION FOR  
THE HEALING ARTS FUND**

<u><b>(\$58,728)</b></u>	<u><b>\$7,687</b></u>	<u><b>\$7,915</b></u>
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Estimated Net FTE Change for Board of  
Registration for the Healing Arts Fund

1 FTE	1 FTE	1 FTE
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FISCAL IMPACT - Local Government

FY 2012  
(10 Mo.)

FY 2013

FY 2014

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

### **Sections 334.010, 334.1200 - 334.1230:**

The proposed legislation changes the laws regarding midwifery. In its main provisions, the legislation:

- (1) Repeals the provision which specifies that anyone who engages in the practice of midwifery other than a licensed physician will be guilty of the unlawful practice of medicine;
- (2) Establishes the Advisory Committee for Certified Professional Midwives under the State Board of Registration for the Healing Arts within the Department of Insurance, Financial Institutions and Professional Registration. Committee members must be appointed by the Governor with the advice and consent of the Senate. The powers, duties, terms, and membership of the committee are specified in the legislation;
- (3) Prohibits a person from holding himself or herself out as a midwife or certified professional midwife unless he or she is licensed by the board;
- (4) Requires an applicant to provide evidence of current certification as a certified professional midwife by the North American Registry of Midwives and current certification in adult and neonatal cardiopulmonary resuscitation, present documentation of practical experience through an apprenticeship or other supervisory setting, pay a licensure fee, and meet other requirements established by the board;
- (5) Authorizes the board to refuse to issue or renew, suspend, limit, restrict, or revoke a license; investigate complaints; issue subpoenas; file petitions with the court; and cause complaints to be file with the Administrative Hearing Commission;
- (6) Authorizes the board to establish fees to produce revenue sufficient to cover the costs of the administration of the provisions of the legislation. Funds collected will be deposited to the credit of the Board of Registration for the Healing Arts Fund;
- (7) Requires a licensee to accumulate 30 hours of continuing education every two years in order to be eligible for license renewal;
- (8) Requires, as a condition of licensure, a licensed midwife to furnish satisfactory evidence of a malpractice insurance policy of at least \$500,000;



FISCAL DESCRIPTION (continued)

(9) Requires a licensed midwife to present each client with an informed consent document containing specified information which must be signed and dated by the client and kept by the midwife in the client's permanent records;

(10) Exempts certain emergency medical providers from civil liability when treating a woman or infant during childbirth as a consequence of care received from a licensed midwife unless the act or omission was the result of gross negligence or willful misconduct;

(11) Requires a licensed midwife to only practice under a written collaborative agreement with a licensed physician who has obstetrical privileges at a nearby hospital. The collaborating physician must be immediately available for consultation with the midwife at all times. A physician cannot enter into a collaborative agreement with more than three licensed midwives at any given time, and a licensed midwife must have a written emergency transport arrangement with the nearest hospital capable of handling obstetrical emergencies for every client;

(12) Specifies certain acts which a licensed midwife is prohibited from performing;

(13) Requires a licensed midwife to keep a record of each client for a minimum of seven years after the delivery and submit a client summary report for each client to the department on a biannual basis;

(14) Requires every licensed midwife who has entered into an agreement with a client to file a notice of intent to home deliver with the Department of Health and Senior Services within 10 days of entering into the agreement; and

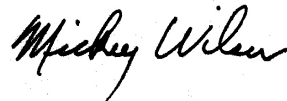
(15) Requires the Department of Health and Senior Services to maintain a permanent database of all home deliveries done under the care of a licensed midwife which must be made available to the public.

Anyone who violates the provisions of the legislation will be guilty of a class A misdemeanor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General  
Office of Administration-Administrative Hearing Commission  
Office of the State Courts Administrator  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Corrections  
Department of Health and Senior Services  
Department of Revenue  
Missouri Governor  
Office of Prosecution Services  
Missouri Senate  
Office of the Secretary of State  
Office of the State Public Defender  
Office of Administration-Budget and Planning

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 15, 2011